

Auditor's Summary

Financial Audit of the Department of Accounting and General Services, State Motor Pool Revolving Fund

Financial Statements, Fiscal Year Ended June 30, 2016



PHOTO: OFFICE OF THE AUDITOR

THE PRIMARY PURPOSE of the audit was to form an opinion on the fairness of the presentation of the financial statements for the Department of Accounting and General Services, State Motor Pool Revolving Fund, as of and for the fiscal year ended June 30, 2016. The audit was conducted by Egami & Ichikawa CPAs, Inc.

About the Fund

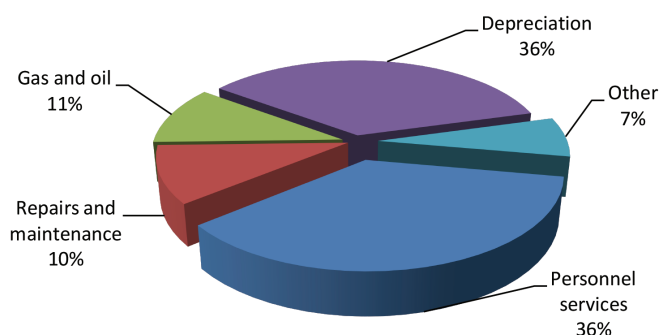
THE STATE MOTOR POOL

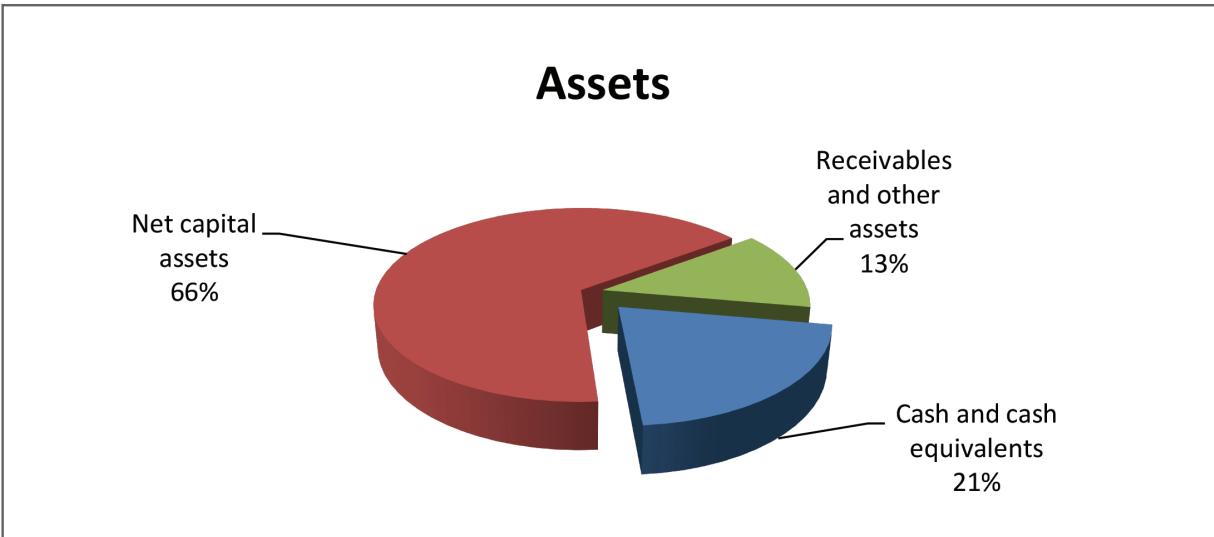
Revolving Fund was established pursuant to Act 77, Session Laws of Hawai'i 1963 (codified as Section 26-6 of the Hawai'i Revised Statutes). The purpose of the fund is to support safe and economical transportation for state officials and employees requiring the use of passenger vehicles in connection with official state business. All moneys collected are used for the acquisition, operation, repair, maintenance, storage, and disposition of all state-owned vehicles assigned to the State's motor pool.

Financial Highlights

FOR THE FISCAL YEAR ended June 30, 2016, the fund reported total operating revenues of \$2.5 million and total operating expenses of \$3 million resulting in a net loss of \$500,000. Motor vehicle rentals represented 88 percent or \$2.2 million of the fund's total operating revenue, and motor vehicle repairs represented the remaining 12 percent or \$300,000. Operating expenses were comprised of vehicle-related costs of \$1.9 million and personnel services of \$1.1 million.

Operating Expenses





As of June 30, 2016, assets totaled \$4.3 million and liabilities totaled \$2.9 million, resulting in a net position balance of \$1.4 million. Of this amount, \$2.8 million was for investment in capital assets, net of related debt, and an unrestricted net deficit of \$1.4 million. Total assets were comprised of cash and cash equivalents of \$900,000, net capital assets of \$2.8 million, and receivables and other assets of \$600,000. Total liabilities include net pension liability of \$1.7 million and other liabilities of \$1.2 million.

Auditors' Opinion

THE FUND RECEIVED AN UNMODIFIED OPINION that the financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Findings

THERE WERE NO REPORTED DEFICIENCIES in internal control over financial reporting that were considered to be material weaknesses and no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

For the complete report and financial statements visit our website at:
http://files.hawaii.gov/auditor/Reports/2016_Audit/MotorPool2016.pdf
